



North Carolina Department of Health and Human Services

Division of Mental Health, Developmental Disabilities and Substance Abuse Services

3001 Mail Service Center • Raleigh, North Carolina 27699-3001

Tel 919-733-7011 • Fax 919-733-1221

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary
Director

Richard J. Visingardi, Ph.D.,

February 25, 2003

MEMORANDUM

TO: Area Program Directors
DD Directors

FROM: Richard J. Visingardi, Ph.D

Nina Yeager, Director
Division of Medical Assistance

RE: CAP Technical Amendment

The Department of Health and Human Services (DHHS), through the work of the Divisions of Medical Assistance (DMA) and Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS), has submitted a technical amendment for the 1915(c) Waiver ("CAP/MRDD Program") to the Center for Medicaid and Medicare Services (CMS).

The purpose of this amendment is to serve the need to reform this state option waiver in order for the benefits to ensure relevance and efficiency. By relevance, we reference the need to ensure that the types of coverage's allowable are best suited for what types of services should be available and with specified expansiveness and limits. Efficiency is defined two ways. First, to ensure that we are able to continue to meet the cost neutrality requirements of the waiver. Second, so we may begin to expand the number of persons enrolled in the waiver.

It has been evident for some time that there is need for changing the conditions of this waiver. The State has experienced spiraling deficits, an inability of cost containment, the inability to increase the numbers of persons to be served through the waiver. The reports of consultants, "Today's choice: Tomorrow's Path", prepared by the Human Services Research Institute for the North Carolina Legislative Oversight Committee have served to validate our own assessment of the issues confronting administration of this waiver.

Of the three substantive changes to the waiver submitted to CMS, there has been negative reaction to the setting of limitations for the number of hours of training, therapeutic or habilitative services an individual can receive in a single day. This issue requires further dialogue with all concerned; client, family, providers, advocates, and Area Programs. It is imperative that we clarify the concepts of service definitions that accurately address consumer needs. These definitions must be understood and applied to a well-developed outcome oriented person-centered plan.

We wish to assure you that the DMH/DD/SAS together with DMA are looking into the ways to resolve the concerns that have been raised. We appreciate the constructive and relevant recommendations that we received from a number of concerned individuals. We are in the process of reviewing these recommendations; based on the need to establish an appropriate management framework of cost containment, while maintaining appropriate supports for individuals served by waiver funds.

Unfortunately, there has developed a swift reaction and false rumor that these technical amendments will take effect March 1, 2003. This change is not scheduled to occur March 1, and we would seek your support to correct this misconception. We would also seek your support to advise that the concerns expressed are being reviewed for the purpose of creating a clinically and fiscally responsible service system to the people we serve with waiver funds.

Please keep in mind where we are trying to travel. We desire to look to a future where people with developmental disabilities are afforded increased choice and options to gain greater opportunities for control over the way in which supports and services are provided and managed. The concept of self-determination is not simply fulfilled through a revenue source for services. It requires a commitment to planning around life outcomes and seeking and securing strategies that include a variety of resources, supports and services. It also involves a sense of accountability and efficiency so that public funds intended to support the lives of people are stretched as far as possible. Finally, it requires a system's continuous support of an individual's life. We have made these promises and will maintain these promises. We have also made a commitment to serve those individuals not enrolled in the waiver who are in need. We will also follow through with our commitment to these individuals.

Systems change is difficult and we ask you all to work with us through this transition. As was stated earlier, there are a number of legitimate issues that need to be addressed.

Thank you for your communication, your understanding, and your cooperation in this matter.

RJV/NY/ph

cc: Secretary Carmen Hooker Odom
Lanier Cansler
James Bernstein
DMH/DD/SAS Executive Leadership Team
Daphne Lyon
Lisa Haire
Carol Duncan Clayton
Robin Huffman
Fred Waddle
Patrice Roesler
Connie Cochran
Dave Richard